




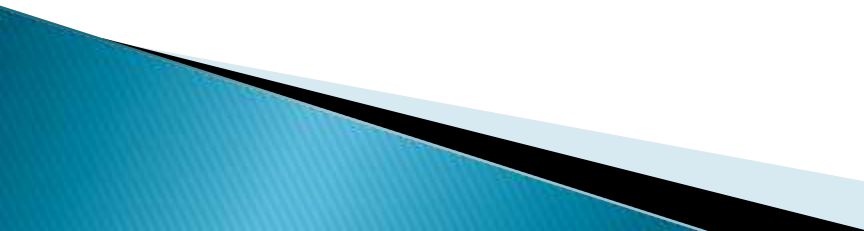
RISK MANAGEMENT IN HIGHER EDUCATION: ANALYSIS OF THE BRITISH BEST PRACTICES

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Risk management in higher education is a process of identifying risk factors that pose a threat to the proper implementation of the mission of an educational institution, based on the procedure for their identification, analysis, as well as the determination and implementation of measures to reduce the likelihood of risk occurrence, and the consequences and monitoring its effectiveness



In 2000, the Higher Education Funding Council for England (HEFCE) decided *on the implementation of risk management as a tool of innovation development* in the corporate governance system of universities and the application of an individual approach taking into account the features of a particular university that should ensure “a continuous process of risk identification, assessment and management, and taking measures to mitigate the risks faced by university”



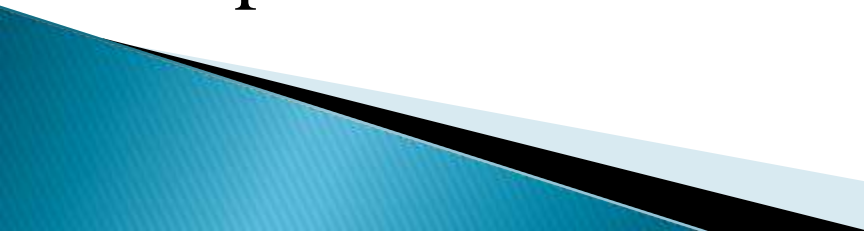
Basic principles of the organization of risk management process

- acceleration capacity and responsiveness
- multiple-level nature
- proportionality
- pro-activity
- transparency


Main stages of the implementation of risk management

1. Risk identification
2. Analysis of the risks identified
3. Determination of measures to reduce the risk likelihood and impact
4. Risk monitoring


Trends in the system of higher education

- extension of risk management to all aspects of university management (financial, personnel, production, etc.);
 - gradual improvement of risk management content associated with both the acquisition of practical skills and experience and professional development of managerial personnel
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Benefits of effective risk management

- improving the university reputation and image;
 - ensuring financial stability, efficiency of the planning process, managerial decision-making;
 - developing the organizational management system;
 - improving the efficiency of scientific, educational and innovative activities of universities
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The development of risk management in the UK takes place at the two levels:

- *at the national level (HEFCE initiatives)*
 - *at the university level (university initiatives).*
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At the national level

HEFCE has developed an indicative register, which is a substantial basis for the introduction of risk management in universities and includes eight risk groups:

- 1) reputation;
- 2) student experience;
- 3) staffing issues;
- 4) estates and facilities;
- 5) financial issues;
- 6) commercial issues;
- 7) organisational issues;
- 8) information and IT

At the university level

Identified risks of universities are listed and documented in two types of registers – corporate or strategic (Corporate Risk Register), and local (Local Risk Register):

- *strategic registers* include the following risk groups: financial, compliance, reputational, as well as risks associated with research, educational activities of universities and their staffing;
- *local registers* include risks arising from the ongoing operation of faculty, department and other structural units of universities

Corporate risk register of Cambridge University

- 1) financial health; 2) research funding; 3) compliance;
- 4) government HEI policy; 5) staffing; 6) real estate maintenance and development; 7) student access/admission policy; 8) competition; 9) health and safety; 10) corporate governance; 11) balance between Arts/Humanities and Science/Technology; 12) student experience and quality assurance; 13) associated or dependent bodies (University publishers, subsidiaries, etc.); 14) administrative systems; 15) investment management; 16) North West Cambridge development; 17) critical infrastructure and key resources

Corporate risk register of Oxford University

1) *funding* (inadequate government funding, insufficient capital funding from donors or HEFCE; poor financial planning); 2) *academic activities* (failure to articulate academic priorities; failure to recruit or retain academics and other senior staff; failure to meet students' expectations relating to education and services); 3) *governance and compliance* (inadequate governance structure; failure in research conduct); 4) *administration* (failure to provide adequate ICT systems or infrastructure; failure to provide adequate student administration); 5) *health and safety* (failure to manage H&S issues); 6) *relationship* (failure of relationship with colleges, donors or alumni)

Risks of university operation are documented in two ways:

- by making a list of individual risks
- by grouping risks according to certain criteria

Consolidated reputational risk includes

- *Financial risk* (inefficient and irrational use of funds; integrity of donations and fundraising activities)
- *Research risk* (low quality of research; integrity of research, its methods and its dissemination; irrationality of the research project when funds and resources are allocated beyond the budget scope)
- *Admissions risk* (adverse perception on student admissions)
- *Academic staff risk* (failure to hire and retain staff of high academic quality)
- *Governance risk* (inability or failure to manage university strategically and operationally)

High-priority risks incurred by the Ukrainian universities, in particular universities of Sumy Region

- compliance risk
- financial risk
- risks of student experience
- staffing issues
- quality of educational services

THANK YOU FOR
ATTENTION!